

Implementation of sustainable development promotion and deviations from the Sustainable development Best Practice Principles for TWSE/TPEX Listed Companies

Promotion item	Implementation status			Deviations from and causes of deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
1. Has the Company established governance structures for promoting sustainable development, and has it established dedicated (or concurrent) units to oversee promoting sustainable development, which report to the Board of Directors and are supervised by the Board of Directors?	✓		<p>The Company's Administration Div. is the coordinating unit for promoting sustainable development. The Deputy Manager, one person each from the HR Department and General Affairs Department, and two people from the Finance Department are responsible for operations to promote the following main functions - formulating and amending sustainable development regulations, and implementing sustainable development promotion, including implementing corporate governance, developing sustainable environments, safeguarding social welfare, and strengthening sustainable development information disclosure. Implementation status is as follows:</p> <p>1. Formulation and amendment of sustainable development regulations: Formulate and amend sustainable development regulations in accordance with competent authority requirements, and be responsible for regulation interpretation, consultation services, reporting content logging and filing, and other associated operations. Formulated regulations include the "Ethical Code of Conduct", "Major Internal Information Handling Procedures", "Procedures for Prevention of Insider Trading", "Ethical</p>	In compliance with the Principles.

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			<p>Corporate Management Best Practice Principles", and "Sustainable Development Best Practice Principles".</p> <p>2. Implementation of sustainable development promotion:</p> <p>(1) Implement corporate governance: Promote various operations such as enhancing information transparency, distributing dividends, establishing communication channels, providing employee welfare measures, etc. to protect the rights and interests of shareholders, customers, suppliers, employees and other stakeholders.</p> <p>(2) Develop sustainable environments: In operational activities and internal management, we strive to achieve environmental sustainability goals such as product design, processes, and waste disposal, that comply with environmental regulations, and have introduced the ISO 14001 environmental management system to implement environmental management through actual systems and fulfill corporate social responsibility for environmental protection.</p> <p>(3) Safeguard social welfare: Establish healthy work environments, hold various activities, build communication channels to protect employee rights. Provide disaster relief for major social disasters. Over the</p>	

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			<p>Management and Sustainable Development " was held on May 14, 2024 and November 19, 2024 for 30 minutes each time, with 20 attendees to promote implementation of various corporate plans.</p> <p>4. Board of Directors supervision of sustainable development:</p> <p>(1) Recent sustainable development regulations formulated and amended and approved by the Board of Directors include: 2020 amendment of "Ethical Code of Conduct", "Ethical Corporate Management Best Practice Principles", 2022 amendment of "Sustainable Development Best Practice Principles", and 2024 amendment of "Corporate Governance Best Practice Principles".</p> <p>(2) The 2024 implementation status of sustainable development was reported at the March 5, 2025 Board of Directors meeting.</p>	
2. Has the Company conducted risk assessments on environmental, social and corporate governance issues related to company operations based on the materiality principle, and formulated associated risk management policies or strategies?	✓		<p>Since the subsidiary mainly engages in sales operations, the risk assessment boundary is based primarily on the Company in consideration of relevance and materiality to operations. The Company conducts assessments on risks of material environmental, social and corporate governance issues that may affect operations, analyzes, tracks, and responds to them in order to strengthen risk management mechanisms. Please refer to 2024 annual report page 100 for associated risk management organizational structures and policies.</p>	In compliance with the Principles.

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3. Environmental issues				
(1) Has the Company established appropriate environmental management systems based on the characteristics of its industries?	✓		(1) The Company has introduced the ISO 14001 environmental management system in the hopes of contributing corporate social responsibility towards environmental protection. Certification was obtained on May 12, 2016, with validity until April 19, 2027.	(1) In compliance with the Principles.
(2) Does the Company endeavor to improve energy use efficiency and use renewable materials with low environmental impact?	✓		(2) The Company's policies on improving energy use efficiency and using renewable materials are as follows: 1.Products comply with EU environmental regulations, emphasizing green energy-saving designs and improving recycling efficiency to reduce the harm of e-waste pollution to the environment. 2.All scrap items are strictly reviewed for reuse value in accordance with "Scrap Item Management Regulations" before being scrapped. Reports of industrial waste clearance plans are also filed with the Environmental Protection Administration as required. Information on waste is logged monthly, and when actual clearance is conducted, qualified Class A waste clearance vendors are responsible for removal to improve resource reuse in compliance with environmental regulations.	(2) In compliance with the Principles.

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			<p>3.The Company has set up recycling bins, promoted waste sorting and recycling, advocated waste reduction, and paper recycling and reuse in order to improve utilization efficiency of resources.</p> <p>4.The 2024 environmental management goal was: Reduce non-recyclable waste (non-hazardous waste) by more than 1% of target value per quarter. Overall actual achievement: Actual non-recyclable waste for the full year was 13% less than the target, an outstanding result.</p>	
(3) Has the Company evaluated the potential risks and opportunities that climate change presents to current and future operations, and adopted corresponding response measures?	✓		<p>(3) In view of the greenhouse gas emissions generated by human activities that have caused global climate change and impacts on ecological environments and human survival, also posing huge economic risks, environmental protection measures are imperative. To achieve sustainable management goals, the Company evaluates potential current and future climate change risks and opportunities, with consideration of the following aspects and response measures:</p> <p>1.Legal aspect:</p> <p>1) Risks:</p> <p>A. To comply with the "Greenhouse Gas Reduction and Management Act" and meet greenhouse gas reduction goals, operating costs will increase.</p> <p>B. Risk of non-compliance with international and local environmental laws or environmental assessment requirements.</p>	(3) In compliance with the Principles.

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			<p>2) Opportunities:</p> <p>A. The current international trend leans towards utilizing green taxes to protect the environment. The increased costs to comply with energy conservation and carbon reduction policies can reach competitive parity with future tax system developments.</p> <p>B. Continuously cooperate with customers targeting green supply chains to achieve energy conservation and carbon reduction effects.</p> <p>3) Response implementation in 2024:</p> <p>A. Implemented energy conservation and carbon reduction policies and continued self-inspection and review of greenhouse gas emissions.</p> <p>B. Gradually replaced lighting equipment with energy-saving lights.</p> <p>C. Gradually replaced air conditioning equipment with energy-saving inverter models.</p> <p>D. Turned off lights during lunch break to conserve energy.</p> <p>2. Climate disaster aspect:</p> <p>1) Risks:</p> <p>A. When typhoons approach, strong winds and heavy rains may damage buildings and equipment.</p> <p>B. Shutdowns may increase operational labor costs.</p>	

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			<p>2) Opportunities:</p> <p>A. Increase response capabilities for climate change adaptation and reduce disaster impacts to enhance corporate competitiveness.</p> <p>B. Focus on issues of environmental sustainability to improve corporate image.</p> <p>3) Response implementation in 2024: Taiwan is an island and located in the subtropical monsoon region, with obvious island maritime climate characteristics. Typhoons often affect the region. To prevent and eliminate losses in the workplace caused by various disasters, the Company has formulated "Emergency Response Management Regulations" and "Disaster Recovery Management Regulations" for compliance. The 2024 "Emergency Response Drill" was held on May 7, 2024 to conduct response drills for potential disasters, in order to achieve the goal of disaster mitigation.</p> <p>3. Other Aspects</p> <p>1) Risks: Suppliers use hazardous substances.</p> <p>2) Opportunities: Cultivate good supplier partnerships to improve product quality.</p> <p>3) Response implementation in 2024: To prevent suppliers from using hazardous substances, the Company has</p>	

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			required suppliers to sign "Hazardous Substance Compliance Commitment Letters" since 2016 to guarantee products supplied meet stipulated limits for hazardous substances. The Company's products comply with RoHS, PFOS, and REACH regulations.	
(4) Has the Company collected statistics on greenhouse gas emissions, water consumption and total weight of waste in the most recent two years, and formulated policies on reducing greenhouse gas emissions, water consumption or other waste management?	✓		<p>(4) The Company has compiled statistics on greenhouse gas emissions, water consumption, and total waste weight over the past two years, and has established policies for greenhouse gas reduction, water conservation, and other waste management as follows:</p> <p>1. Greenhouse gas emissions: In line with the country's greenhouse gas reduction targets, the Company (excluding subsidiaries) began gradually conducting greenhouse gas emissions inventory in 2016.</p> <p>1) Scope 1: Targeting direct emissions from sources owned or controlled by the Company, including three types: mobile combustion sources, process emission sources, and fugitive emission sources. The 2023 inventory result was 51.6321 tons of CO₂e, which was verified by TUV NORD Taiwan. The 2024 inventory result was 90.3715 tons of CO₂e. Internal verification was completed in accordance with the ISO 14064-1:2018 standard and</p>	(4) In compliance with the Principles.

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			<p>other applicable regulations; external verification has not been conducted.</p> <p>2) Scope 2: Targeting indirect greenhouse gas emissions generated from purchased electricity. The 2023 inventory result was 294.9609 tons of CO₂e, which was verified by TUV NORD Taiwan. The 2024 inventory result was 273.6744 tons of CO₂e. Internal verification was completed in accordance with the ISO 14064-1:2018 standard and other applicable regulations; external verification has not been conducted. Calculating greenhouse gas emission intensity by revenue, 2023 and 2024 were 0.1646 tons of CO₂e/million dollars in revenue and 0.2687 tons of CO₂e/million dollars in revenue respectively. The decrease in emissions in 2024 was primarily due to reduced business activities in line with lower revenue. However, the reduction in emissions was not proportional to the decline in revenue, resulting in an increase in emission intensity. The Company will continue to conduct internal inventories and review its greenhouse gas emissions.</p> <p>3) Scope 3: Targeting other indirect emissions not owned by the Company but generated from the Company's</p>	

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			<p>activities, including transportation, product use, waste disposal, and other greenhouse gas emissions. The 2023 inventory result was 95.6405 tons of CO₂e, which was verified by TUV NORD Taiwan. The 2024 inventory result was 87.3882 tons of CO₂e. Internal verification was completed in accordance with the ISO 14064-1:2018 standard and other applicable regulations; external verification has not been conducted.</p> <p>2. Water consumption: The Company conducts periodic inventories of water consumption. The water consumption for 2023 and 2024 was 1,871 metric tons and 2,115 metric tons respectively. The increase in water consumption in 2024 compared to 2023 was due to the addition of new office areas.</p> <p>3. Waste production: All regulated waste disposal by the Company is required to be reported. Waste materials are categorized into three main types: waste electrical cables, waste electronic components, and waste printed circuit boards.</p> <p>1) The reported waste production for 2023 and 2024 was 0.587 metric tons and 0.553 metric tons respectively, which was transported by qualified Class A waste</p>	

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			<p>disposal contractors on July 12, 2023, July 14, 2023, June 24, 2024, and June 25, 2024, and obtained proof of receipt from the Industrial Waste Management Center of the Ministry of Environment.</p> <p>2) The decrease in waste production in 2024 was mainly due to the decline in revenue during 2024, which resulted in reduced production input and waste output. The Company will continue to control waste production according to the waste management plan.</p> <p>4. The Company's energy conservation and carbon reduction policies and implemented measures are as follows:</p> <p>1) In 2016, the Company introduced the ISO14001 environmental management system, committing to a process of continuous environmental improvement. Through establishing environmental policies, setting goals, implementing actions, and conducting audits and reviews, we aim to achieve substantial environmental improvements. Internal ISO14001 promotions were held on May 14, 2024, and November 19, 2024, each with 20 participants.</p> <p>2) Starting from 2019, our environmental management goal has been to reduce non-recyclable waste (non-hazardous</p>	

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			<p>waste) by 1% each quarter compared to the target value. According to statistics, the total weight of non-hazardous waste in 2023 and 2024 was 1.59 metric tons and 1.50 metric tons, respectively, which was 11% and 13% less than the target waste amount, which demonstrates excellent results.</p> <p>3) For 2025, we plan to implement measures to reduce non-recyclable waste by 1% each quarter compared to the target value:</p> <ul style="list-style-type: none"> • Promote waste sorting and use of eco-friendly utensils. • Regional supervisors regularly review waste sorting status. • Analyze waste reduction status each quarter and remind areas that have not met targets to pay attention. <p>4) The greenhouse gas reduction target is: to reduce greenhouse gas emissions by 25% in 2030 compared to the base year 2023, and to achieve net-zero emissions by 2050.</p>	
<p>4. Social issues</p> <p>(1) Has the Company formulated relevant management policies</p>	✓		<p>(1) The Company has reported work rules to the Labor Affairs Bureau for approval in accordance with labor laws, and</p>	<p>(1) In compliance with the</p>

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<p>and procedures in accordance with relevant laws and international human rights conventions?</p> <p>(2) Has the Company established and implemented reasonable employee welfare measures (including compensation, leave and other benefits), and appropriately reflected business performance or results in employee compensation?</p>	✓		<p>implemented them to safeguard employee legal rights. Various HR regulations have also been formulated and posted on the company intranet for employees to look up their rights anytime.</p> <p>The Company has formulated human rights policies in accordance with internationally recognized human rights standards such as the "International Covenant on Civil and Political Rights" and "International Covenant on Economic, Social and Cultural Rights", and is committed to providing employees with a safe, healthy and dignified working environment. Please refer to 2024 annual report page 155 for human rights policies and specific management plans.</p> <p>(2) The Company has established and implemented reasonable employee welfare measures, and appropriately reflected business performance or results in employee compensation. Relevant regulations and implementation status are as follows:</p> <p>1.Compensation:</p> <p>1) Remuneration management: The Company has formulated "Remuneration Management Regulations" that classify positions based on the different nature of work, and establish appropriate remuneration standards for each position according to complexity and level of</p>	<p>Principles.</p> <p>(2) In compliance with the Principles.</p>

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			<p>responsibility.</p> <p>2) Year-end bonus distribution: The Company has formulated "Year-End Bonus Distribution Regulations" whereby the base amount for year-end bonus distribution is set according to the Company's business performance or results for the year, and distributed based on performance appraisal and length of service. The 2024 year-end bonus was approved by Board resolution on December 17, 2024 and distributed on January 23, 2025.</p> <p>3) Employee compensation distribution: In accordance with Article 26 of the Company's Articles of Incorporation, if the Company records profit in a fiscal year (referring to net profit before tax, after deducting employee and director compensation), 7%~10% shall be set aside as employee compensation. The 2023 employee compensation was approved by Board resolution on February 27, 2024 to appropriate 10% of before-tax net profit as employee compensation, and distributed in cash on September 5, 2024.</p> <p>4) Performance appraisal: The Company has formulated "Performance Appraisal Regulations" to regularly evaluate achievement of performance targets by employees, in order to appropriately reflect business</p>	

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(3) Has the Company provided employees with a safe and healthy work environment, and regularly provided health and safety education for employees?	✓		<p>performance or results in employee compensation. The 2024 first and second half appraisals were completed on July 12, 2024, and January 10, 2025, respectively.</p> <p>2. Leave: The Company has formulated "Leave and Time-Off Management Regulations" to provide a clear basis and norms for employee leave and time-off. The various leave categories and payment standards comply with relevant laws and regulations.</p> <p>3. Other benefits: Please refer to 2024 annual report page 155 for the Company's employee welfare measures, training, implementation status, retirement system, agreements between labor and management, employee rights protection measures, etc.</p> <p>(3) The Company's employee work environment safety and health and education and training are described as follows: 1. The Company has formulated "Workplace Safety and Health Codes of Conduct", appointed occupational safety and health management personnel and first-aid personnel who are responsible for promoting and implementing safety and health management, conducting new employee and</p>	(3) In compliance with the Principles.

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(4) Has the Company established effective career development and training plans for employees?	✓		<p>annual regular employee safety and health education and training, and implementing regular monthly fire safety inspections and noise measurements, quarterly drinking water E. coli testing, semiannual carbon dioxide and n-hexane environmental testing, etc. to ensure a safe and healthy work environment for employees. Regular annual employee health checks are held. For special operations involving n-hexane, lead, and ionizing radiation, relevant personnel undergo required health checks and complete legally mandated education and training to protect employee health. In addition, the Welfare Committee organizes recreational activities such as group tours and meals annually to relieve employee stress.</p> <p>2. Please refer to 2024 annual report page 158 for specific implementation details.</p> <p>3. There were no occupational injuries in 2024.</p> <p>4. There were no fire incidents in 2024.</p> <p>(4) The Company has formulated "Education and Training Management Regulations" for compliance, and provides education and training subsidies. Each employee can choose internal or external training courses relevant to their own work. Please refer to 2024 annual report page 157 for 2024 training status.</p>	(4) In compliance with the Principles.
(5) Has the Company established	✓		(5) The Company maintains thorough communication channels	(5) In compliance

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<p>relevant policies and complaint procedures to protect consumer or customer rights with regard to customer health and safety, customer privacy, marketing, and labeling of products and services, in accordance with relevant laws, regulations and international standards?</p> <p>(6) Has the Company formulated supplier management policies requiring suppliers to comply with relevant regulations on</p>	✓		<p>with customers, and has formulated procedures including "Customer Complaint Handling", "Customer Satisfaction Survey Management", "Customer Service Management", and "Continuous Improvement Operations" to resolve customer issues quickly and safeguard customer rights. The Company has formulated "Ethical Corporate Management Best Practice Principles" that expressly stipulate punishments for unethical conduct. Relevant laws and international standards that should be followed for provided products and services should be continuously researched and understood to ensure transparency and safety of product and service information.</p> <p>The Company website provides customer contact windows and email inboxes. A stakeholder section has been set up to provide channels for customer inquiries, complaints or suggestions. The Company handles these appropriately according to the principle of integrity and provides feedback to safeguard customer rights.</p> <p>(6) The Company's supplier management policies and implementation status are described as follows: 1. The Company has formulated "Ethical Corporate Management Best Practice Principles" that expressly</p>	<p>with the Principles.</p> <p>(6) In compliance with the Principles.</p>

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environmental protection, occupational safety and health or labor rights, and disclosed implementation status?			<p>stipulate punishments for unethical conduct. The legality and ethical management policies of suppliers or other business partners are evaluated before business relationships are established, to avoid transactions with unethical suppliers. If unethical conduct is discovered in business interactions or cooperation, commercial dealings will be immediately halted and the party will be added to the list of refused transactions. Contracts may be unconditionally terminated or dissolved at any time to ensure business operations of counterparts are conducted fairly and transparently, fully implementing the Company's ethical management policies.</p> <p>2. The 2024 supplier self-evaluations have been completed for reference in business interactions. The company selected 4 additional suppliers for on-site supplier evaluations.</p>	
5. Has the Company prepared reports disclosing corporate non-financial information such as sustainability reports based on internationally accepted report preparation standards or guidelines? Have the above reports obtained reasonable assurance or limited assurance from third party certification units?		✓	The Company plans to complete the preparation of the 2024 Sustainability Report (for the year 2023) by August 2025.	The Company meets the requirements to prepare a Sustainability Report from the year 2025.

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6.	If the Company has stipulated its own sustainable development principles in accordance with the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies", please describe differences between operations and the stipulated principles: The Company has always been committed to implementing corporate governance, developing sustainable environments, and safeguarding social welfare. Overall corporate operations for sustainable development are in compliance with relevant principles in the Best Practice Principles, except for not voluntarily preparing sustainability reports. There are no other material differences.			
7.	Other important information to help understand the status of sustainable development promotion implementation: (1) The Company proactively creates employment opportunities and exclusively hires local labor. It has formulated various employee welfare policies, employee rights protection measures, and promoted harmonious labor relations. Please refer to 2024 annual report page 155 for implementation details. (2) The Company's products are ISO 9001 certified and comply with EU RoHS, PFOS, and REACH environmental regulations. (3) The Company has established a public information network reporting system. Dedicated personnel are responsible for collecting and disclosing corporate information, establishing sound mechanisms for handling, disclosing and remediating deficiencies in major internal information. After rigorous assessment processes with records retained, information that may impact shareholder and stakeholder decisions can be disclosed appropriately and in a timely manner.			

(4) The 2024 implementation status of sustainable development was reported to the Board of Directors on March 5, 2025. Communication status with various stakeholders, actual implementation content and frequency were as follows:

Stakeholder	Key concerns	Communication channels	Response methods	Frequency	Actual implementation
Shareholders and investors	<ul style="list-style-type: none"> • Business performance of Corporate governance • Corporate governance • Ethical management and sustainable development • Shareholder equity • Environmental protection 	Young, Yu-Che, President Tel: (02) 2785-3961 Email: spokesman@mail.rubytch.com.tw	• Shareholder meeting	Annually	2024 shareholder meeting held on June 19, 2024
			<ul style="list-style-type: none"> • Material information announced in real time on the Market Observation Post System and corporate website • Open communication channels and contact methods established 	As needed	21 material information announcements in 2024, with simultaneous English versions
Employees	<ul style="list-style-type: none"> • Labor relations • Compensation and benefits • Workplace safety and health • Opinion feedback mechanisms • Talent cultivation and career development 	Deputy Spokesperson: Chen, Yun-Chen Assistant Vice President of Administration Div. Tel: (02) 2785-3961 Email: admin@mail.rubytch.com.tw	• Performance appraisals	Biannually	Conducted once each in 1H and 2H 2024.
			• Labor-management meetings	Quarterly	Held total of 4 meetings in 2024
			• Employee Welfare Committee	Quarterly	Held total of 9 meetings in 2024

Stakeholder	Key concerns	Communication channels	Response methods	Frequency	Actual implementation
Customers	<ul style="list-style-type: none"> • Sales service and support • Product quality and safety • After-sales service • Brand image • Customer satisfaction 	Customer section: Sales Div. Assistant Vice President Liao / Sales Div. Assistant Vice President Huang Tel: (02) 2785-3961 Email: sales@mail.rubyttech.com.tw	• Dedicated sales service team	As needed	Completed 2024 customer after-sales service and satisfaction surveys
			• Customer after-sales service and satisfaction surveys	Annually	
Suppliers	<ul style="list-style-type: none"> • Supplier management • Green processes 	Supplier section: Mr. Wang, Vice President of Manufacture Div. Tel: (02) 2785-3961 Email: vendor@mail.rubyttech.com.tw	• Dedicated procurement service window	As needed	Completed 2024 supplier self-evaluations. The Company selected 4 additional suppliers for on-site evaluations .
			• Supplier evaluations	Annually	

(5) In accordance with the principle of materiality, conducting risk assessments related to environmental, social, and corporate governance issues relevant to the Company's operations, and establishing corresponding risk management strategies:

1. Risk management organizational structure and responsibilities:

- 1) Board of Directors: Supervises formulation and amendments to sustainable development regulations including "Ethical Code of Conduct", "Major Internal Information Handling Procedures", "Procedures for Prevention of Insider Trading", "Ethical Corporate Management Best Practice Principles", and "Sustainable Development Best Practice Principles", and hears annual reports on implementation status of sustainable development.
- 2) General Manager's Office: Evaluates and responds to management decision risks and operational risks as the unit responsible for coordinating relevant matters with each division.

- 3) Internal Audit Office: Regularly audits if risk control is effectively implemented in each division according to internal control and audit plans, and prepares audit reports based on actual audit findings. Proactively assists management in handling risks interrelated across the entire enterprise.
- 4) Each division: Division heads bear responsibility for risk management and oversee analyzing and monitoring associated risks within their divisions to ensure risk control mechanisms and procedures can be effectively implemented.

2. Description of risks faced by the Company and associated management strategies:

Key issue	Risk assessment items	Risk description	Risk management strategies and measures
Environmental aspect	Environmental	<ul style="list-style-type: none"> • Legal aspect: Includes risks of non-compliance with international and local environmental laws or environmental assessment requirements. • Climate disaster aspect: Includes risks of reduced or interrupted production capacity due to wind disasters, floods or droughts. • Other aspects: Includes risks of supplier use of hazardous substances affecting the Company's products. 	Please refer to 2024 annual report page 83 Sustainable Development Promotion Item - Environmental Issues for details.
Social aspect	Occupational safety and health	<ul style="list-style-type: none"> • Legal aspect: Includes risks of non-compliance with various occupational safety and health laws and regulations. • Operational aspect: Includes risks of losses to the Company due to improper human resource management, operations or errors. 	Please refer to 2024 annual report page 91, Sustainable Development Promotion Item - Social Issues for details.
	Human resources	<ul style="list-style-type: none"> • Labor relations aspect: Includes risks arising from the Company's employee welfare measures, training, retirement system, agreements between labor and management, human rights policies and other issues. • Talent development and management aspect: Includes risks arising from recruitment and retention of talent, talent development mechanisms, and succession plans. 	

Key issue	Risk assessment items	Risk description	Risk management strategies and measures
Economic aspect (including corporate governance aspect)	Market	<ul style="list-style-type: none"> • Technology and industry aspect: Includes risks of resources invested in continuous new product development and new service applications to meet market demand. • Financial aspect: Includes risks of fluctuations in values due to market risk factors (exchange rates, stock prices, inflation, etc.) 	Please refer to 2024 annual report page 167 for details.
	Operations	<ul style="list-style-type: none"> • Operational aspect: Includes risks faced from excessively concentrated procurement or sales. • Financial aspect: Includes risks of impacts on the Company from credit ratings, credit assessment terms, changes in accounting policies, etc. • Intellectual property aspect: Includes risks that may arise from patent applications, maintenance and management. • Supply chain aspect: Includes risks of quality, pricing and delivery time of supplied goods. • Information security aspect: Includes risks of impacts on the Company from email phishing attacks, outdated software versions, storage without adequate protections or improperly configured settings, employees lacking information security awareness or inadequate skills. 	
	Investments	<ul style="list-style-type: none"> • Investment aspect: Includes risks of impacts on the Company from poorly regulated operations of investees under long-term investments. 	
	Regulatory compliance	<ul style="list-style-type: none"> • Regulatory aspect: Includes risks of impacts on the Company from major domestic and foreign policy and legal changes. 	

Implementation of Climate-Related Information

Item	Budget Execution
1. Describe the Board of Directors' and management's oversight of climate-related risks and opportunities.	The Company's Administration Department oversees sustainable development initiatives, with the Assistant Vice President of Administration Div. also serving as the Corporate Governance Officer. Quarterly reports on greenhouse gas inventory and verification disclosure are provided to the Board of Directors. Additionally, progress updates are regularly presented at management meetings to supervise the Company's overall climate change management measures.
2. Describe how the identified climate risks and opportunities affect the Company's business, strategy and finances (short-term, medium-term, long-term).	The Company evaluates current and future climate change risks and opportunities comprehensively, considering various factors and response measures. For detailed information, please refer to 2024 annual report Page 84. In addition, information on the Task Force on Climate-related Financial Disclosures (TCFD), short-, medium-, and long-term climate risks and opportunities, related financial impacts, and response strategies please refer to 2024 annual report page 105.
3. Describe the impact of extreme climate events and transition actions on finances.	<p>(1) Impact of extreme climate events on finances: Extreme high temperatures increase the operating costs of air conditioning equipment; if heavy rain causes flooding, work stoppages or equipment damage, there is a risk of temporary inability to ship, resulting in reduced revenue; if there is a drought and water shortage, it may be necessary to transport water across regions, resulting in increased operating costs.</p> <p>(2) Impact of transition actions on finances: Under the transition to a low-carbon economy, increased policies and regulations may elevate production, development, and management costs.</p>
4. Description of the Process of Identifying, Evaluating, and Managing Climate Risks and its Integration into the Overall Risk Management System:	The Company's Administration Department concurrently promotes sustainable development, with the Associate Administrator also serving as the corporate governance officer. Policies and improvement goals are formulated in accordance with relevant laws and regulations. The implementation of sustainable development is reported to the Board of Directors at least annually to achieve the purpose of risk management.
5. If scenario analysis is employed to assess resilience to climate change risks,	The Company has not yet utilized scenario analysis to assess resilience to climate change risks, but will remain attentive to this matter and implement appropriate measures. Regarding the management

Item	Budget Execution
<p>explanations should be provided regarding the scenarios, parameters, assumptions, analysis factors, and major financial impacts utilized.</p>	<p>of climate-related risks, the Company has not developed a transition plan at present. However, it will continue to monitor this issue closely and take suitable actions as necessary.</p>
<p>6. If there is a transition plan to address climate-related risk management, please describe the content of the plan, as well as the indicators and goals used to identify and manage physical risks and transition risks.</p>	<p>The Company has not yet used scenario analysis to assess resilience against climate change risks, but we will continue to pay attention to this issue in order to respond.</p>
<p>7. If internal carbon pricing is utilized as a planning tool, an explanation of the pricing basis should be provided.</p>	<p>The Company has not yet employed internal carbon pricing as a planning tool, but will remain attentive to this matter and implement appropriate measures.</p>
<p>8. If climate-related targets have been established, details such as the covered activities, greenhouse gas emissions scope, planning period, and annual progress should be provided. If carbon offsets or Renewable Energy Certificates (RECs) are utilized to achieve related targets, details regarding the source and quantity of offset carbon reductions or the number of Renewable Energy Certificates (RECs) should be provided.</p>	<p>For information on the Company's climate-related targets, please refer to 2024 annual report Page 87.</p>

Climate-related Financial Disclosures (TCFD)

The Company has established internal control systems and internal audit systems, and implements integrated risk management related to environmental, social, and governance aspects of sustainable operations through the ISO management system risk management framework. Due to extreme climate caused by global warming, and the increasing importance of energy and climate change issues in recent years, the Company, in order to mitigate the impact of climate change on its operations, has followed the framework of the Task Force on Climate-related Financial Disclosures (TCFD). The framework is divided into governance, strategy, risk management, metrics and targets. The corporate governance unit identifies climate-related risks and opportunities and formulates subsequent response strategies based on recommendations from external consultants.

Dimensions	Governance	Strategy	Risk Management	Metrics and Targets
Explanation	Governance of climate-related risks and opportunities.	Business, strategy, and financial planning, actual and potential climate-related impacts.	Identification, assessment, and management of climate-related risks.	For information on materiality, disclose the metrics and targets used to assess and manage climate-related issues.
Recommended Disclosures	<p>◆Board Oversight Process</p> <p>Climate risk and opportunity governance status is reported annually to the Board of Directors by the corporate governance officer as part of the annual sustainability risk management agenda, with the Board overseeing implementation effectiveness.</p>	<p>◆Short, Medium, and Long-term Risk and Opportunity Identification</p> <p>Please refer to the table below: Short, Medium, and Long-term Climate Risk and Opportunity Table</p> <p>◆Impacts Caused by Risks and Opportunities</p> <p>Please refer to the table below: Climate-Related Financial Impact and Response Table</p>	<p>◆Identification/Assessment and Management Process</p> <p>Step 1</p> <ul style="list-style-type: none"> The sustainability team is responsible for the collection of climate and environmental background data. Climate risk and operational scope assessment. <p>Step 2</p> <ul style="list-style-type: none"> Establish a list of climate risks and opportunities. 	<p>◆Indicators for Assessing Risks and Opportunities</p> <p>1.Implemented the ISO14064-1:2018 greenhouse gas inventory management system, completed the voluntary greenhouse gas inventory for the year 2023, and obtained third-party verification.</p> <p>2.Disclose greenhouse gas emissions on the Company website and through public information platform.</p>

Dimensions	Governance	Strategy	Risk Management	Metrics and Targets
	<p>◆Management Roles and Responsibilities</p> <p>The President serves as the Chief Commissioner for climate risk and opportunity governance, while heads of each first-level unit implement risk identification, assessment, and management.</p>	<p>◆Scenario Analysis</p> <p>The Company refers to the 2°C scenario (2DS) for discussions in sustainability-related meetings, while simultaneously using tools provided by Taiwan Climate Change Projection Information and Adaptation Knowledge Platform (TCCIP) as reference for evaluating physical risk scenarios of climate change. Ultimately, the Company chose to adopt the 2DS/RCP8.5 scenario as its climate change physical risk scenario, under which thematic descriptions of climate change risks and opportunities are conducted for physical risks, regulatory transition risks, etc.</p>	<ul style="list-style-type: none"> Establish an internal operations impact survey questionnaire. <p>Step 3</p> <ul style="list-style-type: none"> The sustainability team implements analysis of climate risks, opportunities, and operational impacts. Identify major risk items. <p>Step 4</p> <ul style="list-style-type: none"> Establish implementation strategies and set targets. <p>Step 5</p> <ul style="list-style-type: none"> Annually review the effectiveness of implementation strategies and targets through sustainability-related meetings. <p>◆Integration into Existing Risk Management System</p> <p>The Company's ISO management system has incorporated climate risk and opportunity management into the operations of each unit.</p>	<p>◆Greenhouse Gas Emissions</p> <p>The Company's greenhouse gas emissions for year 2023 were verified by TUV NORD Taiwan with the following results:</p> <p>Scope 1: 51.6321 metric tons CO₂e.</p> <p>Scope 2: 294.9609 metric tons CO₂e.</p> <p>Scope 3: 95.6405 metric tons CO₂e.</p> <p>◆Target Setting and Results Presentation</p> <ol style="list-style-type: none"> In 2030, greenhouse gas emissions will be reduced by 25% compared to the base year 2023. By 2050, net-zero emissions will be achieved.

Short, Medium, and Long-term Climate Risks and Opportunities Table

Risk Number	Climate Change Risk Issues	Risk Level	Time Frame	Opportunity Number	Climate Change Opportunity Issues	Opportunity Level	Time Frame
R1	Increase in Greenhouse Gas Emission Pricing	Medium	Short-term, Mid-term	O1	Reduction in Water Usage and Consumption	Medium	Mid-term, Long-term
R2	Strengthened Emissions Reporting Obligations	Medium	Short-term	O2	Use of More Efficient Production and Distribution Processes	Medium	Mid-term, Long-term
R3	Requirements and Regulations for Existing Products and Services	Medium	Short-term	O3	Recycling and Reuse	Medium	Mid-term, Long-term
R4	Substituting Existing Products and Services with Low-Carbon Alternatives	Medium	Mid-term, Long-term	O4	Move to More Efficient Buildings	Medium	Mid-term, Long-term
R5	Cost of Low-Carbon Technology Transition	Medium	Short-term, Mid-term	O5	Adoption of More Efficient Transportation Methods	Medium	Short-term, Mid-term, Long-term
R6	Changes in Customer Behavior	Medium	Short-term, Mid-term	O6	Using Low-Carbon Energy	Medium	Mid-term, Long-term
R7	Changes in Rainfall (Water) Patterns and Extreme Variations in Climate Patterns	Low	Mid-term, Long-term	O7	Adoption of Incentive Policies	Medium	Mid-term, Long-term
R8	Increased Severity of Extreme Weather Events such as Typhoons and Floods	Low	Mid-term	O8	Use of New Technologies	Medium	Mid-term, Long-term
R9	Increased Raw Material Costs	Medium	Short-term, Mid-term, Long-term				
R10	Increased Average Temperature	Low	Short-term, Mid-term, Long-term				
R11	Rise in Sea Levels	Low	Mid-term, Long-term				

Note: Short-term refers to 1-5 years, medium-term refers to 5-10 years, and long-term refers to more than 10 years.

Climate-Related Financial Impacts and Response Table

Risk and Opportunity Items	Financial Impacts and Response Mechanisms
Strengthened Emissions Reporting Obligations	<ol style="list-style-type: none"> 1. In response to the regulatory authorities' requirement for all listed companies to complete greenhouse gas inventory and disclosure according to the schedule. 2. Estimated Financial Impact: The Company has completed the greenhouse gas inventory for year 2023 in accordance with ISO14064-1. Based on the actual cost investment assessment, this risk has a low impact on overall operations.
Changes in Rainfall (Water) Patterns and Extreme Variations in Climate Patterns	<ol style="list-style-type: none"> 1. Due to the increase in extreme weather events, the frequency of typhoons and heavy rains has increased, which may cause flooding in office buildings and affect the Company's operations. After assessment, this may result in low financial losses. 2. The Company's response measures are to implement drainage system maintenance and establish typhoon and heavy rain emergency response plans to reduce immediate risks. The building has completed waterproofing construction, additional water barriers have been purchased, and monthly maintenance of pumping motors and drainage facilities is implemented. Therefore, this risk does not constitute a significant impact on overall operations, and the operational impact is low.
Increased Raw Material Costs	<ol style="list-style-type: none"> 1. Due to climate change, including the European Union's carbon border tax trial implementation starting in year 2023, the production costs of bulk commodity raw materials and transportation costs have increased, thereby affecting operations. 2. The response measures include minimizing module design to reduce raw material usage, strengthening the proportion of localized procurement in the supply chain to mitigate increases in raw material and transportation costs. The mid-to-long term plan is to implement product carbon footprint and reduce carbon costs through green and environmentally friendly design. From a financial perspective, it is estimated that procurement costs will increase, resulting in a moderate operational impact.
Increased Average Temperature	<ol style="list-style-type: none"> 1. The continuous increase in average temperature leads to increased energy consumption and increased operational costs. 2. The Company's energy consumption mainly comes from basic operational electricity in general offices. The Company will continue to implement energy-saving and carbon reduction policies and equipment replacement. Therefore, this risk does not constitute a significant impact on overall operations, and the operational impact is low.

(6) Risk Analysis and Assessment

1. Impacts of interest rate and exchange rate changes and inflation on the Company's profit and response measures

1) The Company has no bank borrowings; therefore, interest rate fluctuations do not have a significant impact on the Company.

2) Exchange Rate Fluctuations

a) Impact of exchange rate fluctuations on the Company's revenue and profitability

Unit: NT\$ thousand

	2024	2023
Net Exchange Gain (Loss)	23,008	5,077
Net Revenue	1,018,413	1,791,446
Operating Profit	139,128	278,467
Profit Before Tax	168,314	305,938
Net Exchange Gain (Loss) / Net Revenue (%)	2.26%	0.28%
Net Exchange Gain (Loss) / Operating Profit (%)	16.54%	1.82%
Net Exchange Gain (Loss) / Profit Before Tax (%)	13.67%	1.66%

The Company's sales transactions in US dollars account for approximately 80% to 90%, while purchases in US dollars account for approximately 40% to 60%. Therefore, exchange rate fluctuations have a certain degree of impact on the Company's profitability.

The net foreign exchange gains (losses) for the fiscal years 2023 and 2024 amounted to NT\$5,077 thousand and NT\$23,008 thousand, respectively. Additionally, the net foreign exchange gains (losses) accounted for 0.28% and 2.26% of the annual operating revenue for those years, respectively. Furthermore, the net foreign exchange gains (losses) represented 1.82% and 16.54% of the operating profit for 2023 and 2024, respectively.

b) Response measures

The Company has implemented the following measures to mitigate the impact of exchange rate fluctuations on profitability:

- In addition to natural hedging effects arising from foreign currency-denominated purchases and sales, the Finance Department monitors relevant market information and future exchange rate trends to execute timely currency exchanges, thereby reducing

foreign exchange risk exposure.

- The Company maintains close communication with major banks to continuously monitor foreign exchange market changes. This enables relevant management personnel to make timely adjustments in response to exchange rate fluctuations and provides a basis for the sales team's product pricing.
- Depending on the level of foreign currency exposure, the Company conducts foreign exchange hedging operations when necessary, following the "Procedures for Acquisition and Disposal of Assets".

- 3) Domestic price inflation may lead to an increase in the Company's procurement costs, which could have an adverse impact on the Company's profitability.

The Company has more than one supplier and will closely monitor inflation developments. It will negotiate with different suppliers individually to mitigate the impact of inflation on the Company.

2. Policy, Profit or Loss Analysis, and Future Response Measures Regarding High-Risk and Highly Leveraged Investments, Loans to Others, Endorsements/Guarantees, and Derivatives Transactions

The Company is committed to the development of its core business and does not engage in high-risk or highly leveraged investments, loans to others, endorsements/ guarantees, or derivatives transactions.

3. Future R&D Plans and Estimated R&D Expenditures

In response to increasing market demand for higher bandwidth, expanded applications, and energy-saving and carbon reduction requirements, the Company will continue to enhance hardware and software functionalities. This includes upward development into project-based managed switches and downward development into cost-effective Web Smart switches, thereby constructing a more comprehensive product line. For details of the planned new product developments, please refer to 2024 annual report page 141 of this annual report.

Additionally, the Company aims to increase the value-added content of its software by developing cloud-based application services to support customer sales and technical needs, thereby enhancing overall product competitiveness. The estimated R&D expenditure for 2025 is approximately NT\$86,117 thousand.

4. Impact of Major Domestic and International Policy and Regulatory Changes on the Company's Financial and Business Operations, and Corresponding Measures

The Company closely monitors major domestic and international policy and regulatory changes and evaluates their potential impact on the Company. Professional advice is also sought when necessary to implement timely and appropriate response measures.

During the most recent fiscal year and up to the publication date of this annual report, no significant impact on the Company's financial or business operations has resulted from any major domestic or international policy or legal changes.

5. Impact of Technological Changes (Including Cybersecurity Risks) and Industry Shifts on the Company's Financial and Business Operations, and Countermeasures

With advancements in semiconductor and communication technologies, network communication products have evolved from pure hardware, high-maturity turnkey products into niche products that integrate both hardware and software. Given that the Company's production base is located in Taiwan, it is no longer suitable to focus on low-margin, high-volume turnkey products. Instead, the Company concentrates on niche products with higher technical complexity.

As internet usage grows rapidly, the demand for broadband fiber and wireless network applications has intensified. The Company's product focus includes fiber network equipment, managed switches, outdoor wireless network devices, and industrial-grade wired network equipment. These products are embedded networking solutions that combine hardware and software and are designed for deployment in harsh environments. Due to the high technological barriers and relatively limited market competition, the Company anticipates steady growth in both revenue and gross margin. The higher level of product complexity and profitability also aligns with more sophisticated customer requirements, thereby positively impacting the Company's financial performance.

The Company has implemented comprehensive cybersecurity and IT protection measures. However, it cannot fully guarantee that critical computer systems supporting its manufacturing, operations, and accounting functions will remain entirely immune to network attacks or disruptions from third parties. The Company continues to review and assess its information security policies and procedures to ensure their adequacy and effectiveness, yet acknowledges that the constantly evolving nature of cybersecurity threats may still pose risks.

To mitigate these risks, the Company has implemented and continues to upgrade measures such as deploying endpoint antivirus solutions on key servers, enhancing malware detection capabilities, strengthening firewall and network controls to prevent the spread of computer viruses across devices and factory locations. Although efforts to reinforce information security are ongoing, the Company cannot guarantee complete immunity from malicious software or hacker attacks.

For further details on cybersecurity management and countermeasures, please refer to 2024 annual report pages 162 and 171 of this Annual Report.

6. Impact of Corporate Image Changes on Crisis Management and Response Measures

The Company has consistently adhered to the principles of prudence, integrity, and a strong focus on its core business operations, placing great importance on maintaining a positive corporate image. To date, there have been no incidents that have damaged the Company's corporate image or adversely affected its operations.

7. Expected Benefits, Potential Risks, and Countermeasures of Mergers and Acquisitions

As of the date of this annual report, the Company has no plans to engage in any mergers or acquisitions.

8. Expected Benefits, Potential Risks, and Countermeasures of Plant Expansion

As of the date of this annual report, the Company has no plans for plant expansion.

9. Risks Arising from Procurement or Sales Concentration and Countermeasures

In 2023, the Company's top supplier, Supplier A, accounted for 18.15% of total purchases, while all other suppliers accounted for less than 10% each. In 2024, purchases from Supplier A increased to 23.65%, with other suppliers still accounting for less than 10% individually. The Company will continue to actively develop new procurement sources to reduce the risks associated with supplier concentration.

In terms of sales, the top three customers in 2023, Customers a, b, and d, accounted for 29.44%, 14.03%, and 13.42% of total sales, respectively, with all other customers contributing less than 10% each. The top three customers in 2024, Customers a, b, and c, accounted for 21.22%, 18.92%, and 11.74%, respectively, with all other customers contributing less than 10% each. While the risk of sales concentration has declined, the Company will continue to actively expand market scale and develop new customers.

10. Impact, Risks, and Countermeasures Related to Significant Share Transfers or Changes in Directors, Supervisors, or Major Shareholders Holding Over 10%

As of the printing date of this annual report, the Company's directors and major shareholders holding more than 10% of shares have not undergone any significant share transfers.

11. Impact, Risks, and Countermeasures Related to Changes in Management Control

As of the printing date of this annual report, there has been no change in the Company's management control; therefore, this item is not applicable.

12.Litigation or Non-litigation Matters

- 1) Major litigation, non-litigation or administrative disputes involving the Company and already concluded with final judgement, or still pending, that may have significant impacts on shareholders' equity or securities prices as of the date of annual report printing: None.
- 2) Major litigation, non-litigation or administrative disputes involving the Company's directors, supervisors, general managers, responsible persons, and shareholders holding over 10% shareholding and already concluded with final judgement, or still pending, as of the date of annual report printing: None.

13.Other Significant Risks and Countermeasures

Information Security Protection and Response:

Technology changes have brought higher efficiency and productivity to the Company, but also introduced new information security risks arising from phishing scams, outdated software versions, inadequate protection or improper configurations of storage space, employees' lack of security awareness or skills, etc. The Company's Administration Department has an Information Department with 3 IT personnel responsible for development and maintenance of corporate network and computerized application software, maintenance of computer equipment and technical support. Regulations including the "Computer Information Usage Regulations", "Regulations on Purchase, Usage and Maintenance of Computer Equipment", "Computer Software Management Regulations", "Annual Data System Migration Procedures for MIS", "Information Security Regulations", "Software Management Regulations", "Email Management Regulations", "Regulations on Borrowing of Software Documentation", "Disaster Recovery Management Guidelines" and "Computer Equipment Retirement Management Regulations" have been formulated for compliance and management.